An Empirical Study of Moral Reasoning Among Managers

Robbin Derry

ABSTRACT. Current research in moral development suggests that there are two distinct modes of moral reasoning, one based on a morality of justice, the other based on a morality of care. The research presented here examines the kinds of moral reasoning used by managers in work-related conflicts. Twenty men and twenty women were randomly selected from the population of first level managers in a Fortune 100 industrial corporation. In open-ended interviews each participant was asked to describe a situation of moral conflict in her or his work life. The results indicated a clearly preferred mode of moral reasoning among the participants who described moral conflicts. Nearly all of these predominated with a justice orientation. These findings suggest that a correlation between gender and preferred mode may be context specific.

Introduction

The focus of the research presented here is moral reasoning in organizations. The term "moral reasoning" as used here describes the process by which individuals deal with moral conflicts. The process includes a definition and framing of the conflict, as well as an evaluation and resolution of the conflict by the individual. An underlying assumption is that different people do experience moral conflicts differently, even when facing the same situation. This research examines how the moral reasoning process differs between individuals in work-related conflicts.

In order to develop a better understanding of the process of moral reasoning, this research tests the thesis (Gilligan, 1982) that there are two distinct methods of reasoning about moral conflicts: one based on morality as justice, the other based on morality as care. The concept of morality as justice reflects the theories of Immanuel Kant (1959) and John Rawls (1971), and a deontological approach to moral philosophy. In this method of reasoning morality is based on individual rights, contractarian rules of society, and fair treatment.

In contrast, the concept of morality as care reflects a set of concerns that has been articulated less frequently or formally in moral philosophy. The concerns of this approach are the responsibility of the individual to respond to another in the other's terms, acting out of care for the other person (Gilligan, 1982). This is distinct from morality as justice in that it does not attempt to follow universal rules or insure equitable treatment. It focuses on responsiveness to another's needs. It also includes caring for oneself in a nurturing rather than a self-maximizing way. This approach to morality as care is perhaps closest to agapism in moral philosophy (Matthews *et al.*, 1985).

In this study the two different approaches to morality, justice and care, are considered in relation to the context of a corporate organization. Are different definitions of morality used in work environments? Do individuals selectively vary their moral reasoning process depending on their personal or professional environment? Are the factors of sex, age, religious affiliation, length of time with the company, or position in the company related to the type of moral reasoning used by an individual? These questions are directly addressed.

Robbin Derry is an associate professor at The American College in Bryn Mawr, Pennsylvania, where she holds the Lamont Post Chair in Business Ethics. She recently completed a year as a Rockefeller Fellow at The Ethics Institute at Darthmouth College. She has presented and published numerous articles on the ethical decision-making of managers and is currently working on a business ethics textbook.

Moral development

The contemporary empirical studies of moral rea-
soning are grounded in theories of moral develop-
ment. Interest in moral development emerged from
the field of cognitive development in psychology
and education. Moral development has traditionally
examined perceptual stages through which individ-
uals pass as their ability to reason about moral issues
matures.

The field of moral development was long domi-
nated by the research of Lawrence Kohlberg (1981).
Kohlberg's theory suggests that there are six univer-
sal and invariable stages through which individuals
progress as their moral reasoning develops. Kohlberg
created hypothetical moral dilemma scenarios as the
basis of interviews that probed and assessed the
participants' moral reasoning. The stage theory de-
lineated and ranked different types of moral reason-
ing into levels which Kohlberg claimed were se-
quentially "higher" in terms of individual cognitive
development.

In 1977 Carol Gilligan challenged the field to
consider the bias inherent in Kohlberg's model
(Gilligan, 1977). The longitudinal sample which had
given Kohlberg his critical data was entirely male. In
conducting interviews for a project with Kohlberg,
Gilligan found what she subsequently called "a
different voice", the perspective, voiced more fre-
quently by women, that morality was not defined by
justice, fairness, or universal rights, as Kohlberg
argued. Instead this perspective described a morality
based on care, on responsibility to others, on the
continuity of interdependent relationships. This
orientation resulted in clearly different reasoning
and ways of resolving moral conflict situations.
Gilligan described it as a morality of care and
suggested that it was a distinct moral orientation, not
merely one of Kohlberg's stages or moral develop-
ment.

Alternative moral orientations

Gilligan *et al.* (1982) developed a research interview
as the basis for examining the different types of
moral reasoning proposed by Gilligan. The open-
ended, semi-structured interview pioneered by Pia-
get was adapted as a research tool. This interview

format has been used to explore the hypothesis that
men and women define moral issues differently and
use different bases on which to reason them out
(Gillgan, 1977; 1982). Langdale (1983) and Lyons
(1983) found empirical results which verified Gilli-
gan's thesis that two distinct moral orientations were
significantly related to gender. In both studies the
care orientation predominated in female thinking
and the justice orientation predominated in male
thinking. Neither of these studies suggests an abso-
lute split along gender lines. In each there were men
using the care orientation and women using the
justice orientation, but there was a statistically sig-
nificant relationship between gender and moral
orientation.

Problem development

Gilligan's hypothesis and Lyons' methodology (Lyons,
1983) suggest some interesting possibilities for re-
search within organizations. This type of interview
allows us to begin to explore how men and women
define morality in the workplace. Before the *level* of
moral responsibility within corporations can be
measured, there needs to be some comprehension of
the many different *definitions* of moral responsibility
which are in operation in any given company. The
interview and coding scheme developed by Lyons
(1982) offer the potential of interpreting and cate-
gorizing diverse views of morality and individualistic
constructions of reality.

Many of the empirical studies in the field of
business ethics have attempted to assess the level
of ethical performance or decision-making among
executives or MBA students. This requires a pre-
determined standard of ethical behavior. In too
many instances, we as researchers in the field have
skipped over the stage of listening to managers to
understand their concepts of ethics. What are the
ethical issues which they face? What is their percep-
tion of the basis of moral action? Certainly there are
issues and situations which they confront in their
everyday work lives which would enlighten re-
searchers and enrich our understanding of moral
reasoning. Several recent studies have contributed
first steps in this direction. A careful study of man-
agerial experiences by Waters, Bird, and Chant
(Waters *et al.*, 1986) used open ended interviews to

reveal important moral questions and the circumstances in which managers took significant action on these questions. Similar research in Zimbabwe used essays by managers in an MBA program to analyze their moral concerns (Gifford and McBurney, 1988). The essays described on-the-job experiences of moral conflict. This "listening to managers" is critical to a deeper understanding of the real issues which need to be addressed by research.

The interviews described here address several research questions. What are the moral conflicts that arise for a group of first-level industrial managers? What are the considerations they use in attempting to resolve the conflicts? Do people experience clearly different types of moral conflicts within the same organization and managerial level?

Hypotheses

The research presented here applies Gilligan's theory in a corporate setting by testing the following hypotheses:

>   H1:   There are two distinct modes of moral reasoning used in work-related conflicts; these are consistent with Gilligan's descriptions of morality as justice and morality as care.
>   H2:   Morality as care is more frequently voiced by females and morality as justice is more frequently voiced by males in describing work-realted moral conflicts.

The findings offer unique insights into what a sample of first-level managers in a major corporation perceive to be moral behavior. The interview data may reflect the selective memories and the self-justifications of behavior of managers in difficult situations. Rather than using an arbitrary definition of morality to measure if managers are ethical, this research seeks to compare and categorize the different ways that people experience their sense of morality on the job.

The field of business ethics is seriously lacking in empirical data which describe the decision making process of managers facing ethical dilemmas. The contribution of this study does not fill that gap but it make the hole slightly less gaping and raises challenging questions as an invitation for further research.

Data gathering

The site selected was a major manufacturing facility of a Fortune 100 industrial corporation. The company is referred to here by a pseudonym, Steng Corporation. In order to obtain equal numbers of male and female participants, the first level of managers and staff professionals was selected as the population. Two random samples were obtained, one for the males and one for the females of this population. These who were not interested in participating were replaced by further random selections from the population in order to maintain the desired level of forty participants.

All participants were personally interviewed by the author. Equal numbers of men and women were interviewed, ranging in age from thirty-two to sixty-two. The interviews, each approximately sixty minutes in length, were tape recorded and transcribed. These transcriptions served as the basis for the coding analysis. The coding scheme was developed by Lyons (1982) specifically to analyze interview data for categories defined by Gilligan (1982).

The interviews were open-ended and semi-structured, in which an individual presented an actual moral conflict faced at work and described the conflict, how she or he evaluated what should be done, and how it was resolved. The coding process is a form of content analysis.

Results

The major findings were as follows:

1. One third of the participants said they never faced a moral conflict at work.
2. All but one of the participants who described a moral conflict at work did so with primarily justice reasoning.
3. There were no significant statistical correlations between gender and the reported experience of moral conflict, or between gender and the strength of the justice orientation.

The analysis and interpretation of the occurrence of "no conflict" experience is reported at length elsewhere (Derry, 1987b). Other additional findings from the interview data have been examined in depth, such as the relationship of demographic variables with the categories of moral reasoning, and respondants' definitions of personal and professional morality (Derry, 1987a).

Presented here is an interpretation of the findings specifically related to the hypotheses. These are results two and three listed above.

Analysis

Why is there an overwhelming use of the moral orientation of rights, rules, and justice among the managers and non-management professionals interviewed? Fundamentally, a corporation is a group of people joined together for the purpose of accomplishing some defined, common goals. Each person has an assigned role to play in the accomplishment of those goals. Everyone expects others to fulfill their roles as organizational members. Steng has a "team" culture. Although there have been significant layoffs within the past decade, the people who have lived through the belt-tightening times are loyal to the organization and its ideals. They sometimes have conflicts with their immediate supervisors and their directives, but almost to a person, they express great faith in the driving purpose, goals, and intentions of top management. There is a sense of belonging among Steng employees. It is for this sense as well as for their own job security that they want Steng to survive, to do well in the face of growing national and international competition. Some of the conflict discussions gave evidence of a feeling of personal responsibility for Steng's image in the community at large. This type of strong culture builds, often intentionally, a deeply held commitment to the organization, a clear sense of one's role, duties, and obligations (Katz and Kahn, 1978; McCoy, 1985). Certainty about roles and obligations seemed to underlie many of the considerations people voiced in resolving their moral dilemmas. The following excerpts from two participants demonstrate this point.

A young woman, struggling with a proposed "deal" which would benefit her superior but would

detract from organizational productivity, described her situation:

> I felt that I would be, it's almost like I would be drawing money out of the company and not giving the company anything back, except protecting this particular individual. So, I felt that my personal sense of values was being violated, and my notion of how to conduct business efficiently and effectively was being violated.

An experienced manager described a repeated conflict:

> There are a number of times when you know as manager that a particular individual has been identified to be laid off . . . and everyday, and it may go on for several weeks, you have to come to work and acknowledge the person, deal with them, work with them, knowing that at a given point in time they are going to be out of a job literally. And yet, you can't prepare them, because your job as a manager is to try to get the pieces done, work with the company, and maintain the morale. It's a moral difficulty because I always feel that if I know that a particular individual is going to have something like that happen, that I should tell him . . . however I also understand . . . that in the business we do need his services for three more months.

Reasoning about moral conflicts from this perspective of one's role and obligations within the corporation falls into Lyons' category of rules, rights, and justice. One is following a clearly defined set of rules. They may not be written, and they are often broader than one's job description, but they are the implicit commitment to the achievement of the group's purpose. This commitment is a fact of life among most of Steng's managers. It is not surprising then that it is a dominant factor in the reasoning of these managers and staff professionals. At work, they are committed to their organization, themselves, and other people who might be involved, in approximately that order. This is not to say that they take care of the organization before they take care of themselves, but their initial reasoning process, about moral issues as about any other problems, is "What should I do as a Steng Manager/Buyer/Engineer/Foreman?" One engineer put it this way:

> A situation comes up, if there are moral aspects to it, I think the first approach is to handle it like you are handling other situations so it's not really a conflict or problem. It's part of the decision or behavior requirement.

In short, the individual manager's commitment to her or his role within the corporation shapes his or her reasoning about work-related conflicts, including moral conflicts.

Another aspect of the individual's role in the organization is that these people get rewarded for following the rules, for making fair and just decisions. They do not get rewarded for being caring, building strong relationships at work, or for alleviating others' burdens. Steng is not a social service organization. It is not in operation to make its workers or customers feel cared for. Steng is a profit dependent corporation, striving to manufacture reliable, competitive products. It rewards its employees for goal achievement. Following a behaviorist argument, the corporation builds in rule-following by its reward structure, and similarly discourages behavior focused on caring and responding to others' needs in a personal way.

Larue Hosmer focuses on the corporate rewards and structural pressures which influence managerial ethical decisions in his article, "The Institutionalization of Unethical Behavior" (Hosmer, 1987). He argues that organizations frequently offer personal benefits to unethical behavior for middle managers. His findings and those presented here suggest that the organization does have a significant role in how managers experience and react to situations of moral content. The corporate rewards, pressures, expectations, goal statements, and compensation systems all communicate to the individual manager a set of behavior patterns. These behaviors carry with them moral implications. These implications are rarely acknowledged, but all such policies and priorities do embrace an implicit moral policy.

The experience of Steng managers suggests a phenomenon that is entirely consistent with popular literature about survival in the corporate arena as a matter of learning and playing by the "rules of the game." Those who can play by the corporate rules stay in "the game", those who can't, or don't want to, leave (Maccoby, 1976). By the time people have made it to a managerial level at Steng, they have for the most part agreed to the rules of the game, or they have opted out. Thus there is a self-selection factor in this sample. It is not representative of the general population. It is a group of men and women who have proven themselves good corporate players. Therefore, these organizational rules become the

moral referent for Steng's managers and employees, explaining their reliance on a right, rules, and justice approach to moral conflicts at work.

Gender differences and the lack thereof

Why is there no significant gender difference in the moral reasoning used in these work conflicts, as one would expect from Gilligan's theory and other recent research? The findings described here suggest that whatever gender differences have been found in other research may be context specific. If there is a *general* difference between men and women, it does not carry over into strong organizational cultures where both women and men are trained to think and judge as corporate members. In such settings, either the "carers" have been selected out or they have learned to used the reasoning dominant to the organization. The voice of care, responding to others in their terms, maintaining relationships for the sake of interdependence, and alleviating the burdens or suffering of another, does not have a major role in corporate culture.

A major study of over 400 MBA students and their projected responses to ethical dilemmas revealed a gender difference in expected action in questionable business practices. A higher number of women participants indicated a willingness to take action against unethical business practices than their male counterparts (Jones and Gautschi, 1988). While gender differences such as these are interesting for speculation, this finding does not contribute significant insight into how women and men actually perform on the job. It would be expected that the variable of prior work experience is a major factor in individuals' projections of their own behavior. The women in this study may have less business experience and therefore less ability to accurately predict their future behavior in ethical conflicts. There is no indication of this factor, and little discussion of the validity of self-reported, projected behavior. Researchers must look to on-the-job performance. More studies are needed which compare men and women's behavior at work.

Looking back to the data, it is clear that most people voiced some care issues along with their justice considerations. This confirms the earlier findings that many people have the ability to reason

either in the justice mode or the care mode (Lyons, 1983; Johnston, 1985). If men and women do have the ability to use both moral orientations and the ability to choose which one is most appropriate in different settings (though not necessarily in the vocabulary of moral development theory or philosophy), then the smart business players should figure out early on which mode is most credible within their work environment. People who use a moral reasoning of care or response in their personal life may simply know not to use it at work. Individuals who do not have the ability or willingness to use justice reasoning do not stay very long or do not advance in a dominantly rights and rules environment.

These explanations apply equally well to men as to women. But it is the women whom one would have expected to use the care reasoning, given the earlier findings. However, in the last decade women have been coached from all sides to succeed in business, to make it big, to compete, to increase the ranks of corporate women, in short to learn the rules by which men have succeeded, and to play the game aggressively (Henning and Jardim, 1977). It should be no surprise that first-level managers, women in their thirties and forties are using the same vocabulary, the same thought processes as their male counterparts. They have learned what is required.

Those women and men who have the ability and interest to reason as corporate members are building on and strengthening that ability. It is important to interpret the findings of this study in the context of the complex demands of corporate life, as well as the context of society's current interpretation of success and its requirements.

An additional interpretation of the strong justice orientation voiced in these interviews was suggested by the verifying coders. Several of the participants seemed to be describing issues that were fundamentally care concerns but justifying them in justice terms. Perhaps in the Steng environment they had to justify their conflicts in those terms. An example demonstrates this point.

> Actually the conflict for me was how I knew that the right thing to do was to let him go [to another job within Steng] and from his standpoint, but for me I might wind up losing a valuable employee in the department and he has been a good employee. . . . If I let the guy go, and he

accepts [the other position] before the promotion here comes through, then I would have looked bad in terms of my management to say hey, you've got this guy that's a valuable man and you let the guy skip and he's going to another department. So why did you let him do it? . . . I just really weighed the fact that how would I feel if I was in his shoes? How would I feel if I was cut off from pursuing an opportunity in another area that I was interested in?

In this excerpt the manager's concern is about how to do what is right for an employee from the employee's perspective. This is a care consideration. But other considerations come into play to weigh the balance towards a justice focus: What would my managers say? (a duty or role consideration), How would I feel if I were in his shoes? (fairness, justice as the golden rule), I might lose a valuable resource in the department (effects to self). This case could be seen as one in which the manager is predominantly rights or justice oriented with some care considerations taken into account. This is strictly consistent with the coding results.

Alternatively the theory above suggests the major issue of concern is a care issue but the setting for the conflict requires that it be reasoned out in justice terms. The person may tend more toward a care orientation in defining moral dilemmas, but the work environment imposes certain modes of reasoning and decision making. This perspective is supported by England who argues that individual managers come to work with certain "intended values", but the expression of these values is blocked by organizational factors (England, 1975). In this case the manager may have attached a strong personal value to providing support and encouragement to his employee, but the Steng environment did not permit the expression of that value except as it fit the dominant logic of fairness.

A national survey of nearly 1500 managers supports this view of conflict between personal values and organizational demands. The survey found that pressure to compromise personal principles for the sake of the organization is strongest at the lower level of managers (Posner and Schmidt, 1987). These first line Steng managers certainly had the least "clout" or stature with which to resist the organizational pressures.

Some managers may be basically care oriented in their moral reasoning, but in the work environment

they may be required or trained to use justice reasoning even in conflicts which arise from care concerns. This differs from an interpretation which suggests that the managers and other professionals are justice oriented people, by nature, by self-selection, or by early training. From this study it is not clear which of these theories more accurately describes the sample. While the work environment theory has some face validity, it is important to guard against interpretation of results in ways that merely explain away inconsistencies with past findings, in an unwillingness to seriously question the hypotheses.

Conclusions

The implications of this research are significant. The field of moral development has been challenged by the hypothesis that there are two distinct definitions of morality which shape moral reasoning. The research presented here examines this hypothesis in a setting which has been traditionally male-dominated. Women's roles in industry still beg definition. The absence of the traditionally female voice of morality within this context may be a reflection of the organizational culture, or it may signal the adaptability and the option of choice in the mode of moral reasoning.

The data presented here do not support Gilligan's thesis (1982) that the two modes of moral reasoning, justice and care, are gender related. In this corporate setting those differences were not in evidence. While Gilligan suggests that the socialization process of infants and children results in these differing moral orientations, it appears that the different modes of reasoning are learnable later in life in response to environmental stimuli.

For the field of business ethics, this research is a strong urging to consider and recognize the range of moral sense-making within corporations. Much of the prior research has focused on the responsibility of the organization to its external constituencies. There is also a great need to articulate the mutual responsibility within organizations and the moral conflicts that arise in routine operations and decisions.

The process of making ethical decisions is not carefully thought through or articulated by organizational leaders. The lack of discussion of this broad area of managerial life creates uncertainty about how to manage ethical conflicts. Such uncertainty was evident in the interviewees' hesitation and searching for words throughout the Steng interviews. In the absence of direct leadership on these issues, there were nonetheless significant patterns in the moral reasoning used.

It is important for organizational leaders to understand and recognize the factors and pressures which influence the ethical decisions of their managers. They have the opportunity and a social requirement to manage these factors to achieve the highest ethical decisions within their operations. I wholeheartedly support and encourage the urgings of Waters and Bird in their analysis of morality in organizational cultures:

> To the extent that morally appropriate behavior requires that additional costs be borne or revenues forgone in the short-run in the service of longer-run benefits to the organization, decisions to do so can be made publically and explicitly with responsibility lodged at the proper level . . .
>
> In all these suggestions, the meta-message is the discussion of moral issues must become a familiar, comfortable part of the manager's job (Waters and Bird, 1987, p. 22).

References

Derry, R.: 1987a, Sincerely, *Moral Reasoning In Organizations.* Doctoral Dissertation, University of Massachusetts, Amherst (University Microfilms, Ann Arbor, MI).

Derry, R.: 1987b, 'Moral Reasoning in Work-Related Conflicts', *Research in Corporate Social Performance and Policy.* Vol 9 (JAI Press, Greenwich, CT).

England, G. W.: 1975, *The Manager and His Values* (Ballinger, Cambridge, MA).

Gifford, P. and McBurney, P.: 1988, 'The Ethical Concerns of Contemporary Zimbabwean Managers: A Preliminary Sounding', *Journal of Business Ethics* **7**, 263–372.

Gilligan, C.: 1977, 'In A Different Voice: Women's Conception of the Self and of Morality', *Harvard Educational Review* **47**, 481–517.

Gilligan, C.: 1982, *In A Different Voice* (Harvard University Press, Cambridge, MA).

Gilligan, C., Langdale, C., Lyons, N., and Murphey, J. M.: 1982, 'The Contribution of Women's Thought To Developmental Theory', *Final Report to the National Institute of Education* (Harvard University, Cambridge, MA).

Henning, M. and Jardim, A.: 1977, *The Managerial Woman* (Coubleday, Garden City, NJ).

Hosmer, L. T.: 1987, 'The Institutionalization of Unethical Behavior', *Journal of Business Ethics* **6**, 439—447.

Johnston, D. K.: 1985, *Two Moral Orientations — Two Problem Soving Strategies: Adolescents' Solutions to Dilemmas in Fables*. Doctoral Dissertation, Harvard University (University Microfilms, Ann Arbor, MI).

Jones, T. M. and Gautschi, F. H.: 1988, 'Will the Ethics of Business Change? A Survey of Future Executives', *Journal of Business Ethics* **7**, 231—248.

Kant, I.: 1959, *Foundations of the Metaphysics of Morals* (1978). Trans. Lewis White Beck (Bobbs-Merrill, Indianapolis, IN).

Katz, D. and Kahn, R. L.: 1978, *The Social Psychology of Organizations* (2nd Ed.) (John Wiley and Sons, New York).

Kohlberg, L.: 1971, 'From Is to Ought: How to Commit the Naturalistic Fallacy and Get Away With It in the Study of Moral Development,' in T. Mischel (ed.), *Cognitive Development and Epistemology*. (Academic Press, New York).

Kohlberg, L.: 1981, *The philosophy of Moral Development* (Harper and Row, San Francisco).

Langdale, C. H.: 1983, *Moral Orientations and Moral Development: The Analysis of Care and Justice Reasoning Across Different Dilemmas in Females and Males from Childhood through Adulthood*. Doctoral Dissertation, Harvard University (University Microfilms, Ann Arbor, MI).

Lyons, N. P.: 1982, *Conceptions of Self and Morality and Modes of Moral Choice*. Unpublished Doctoral Dissertation, Harvard University.

Lyons, N. P.: 1983, 'The Perspectives: on Self, Relationships, and Morality', *Harvard Educational Review* **53**, 125—145.

Maccoby, M.: 1976, *The Gamesman* (Simon and Schuster, New York).

Matthews, J. B., Goodpaster, K. E., and Nash, L. L.: 1985, *Policies and Persons* (McGraw-Hill, New York).

McCoy, C. S.: 1985, *Management of Values* (Pitman, Boston, MA).

Posner, B. Z. and Schmidt, W. H.: 1987, 'Ethics in American Companies, A Managerial Perspective', *Journal of Business Ethics* **6**, 383—391.

Rawls, J.: 1971, *A Theory of Justice* (Harvard University Press, Cambridge, MA).

Waters, J. A., Bird, F., and Chant, P. D.: 1986, 'Everyday Moral Issues Experienced by Managers', *Journal of Business Ethics* **5**, 373—384.

Waters, J. A. and Bird, F.: 1987, 'The Moral Dimension of Organizational Culture', *Journal of Business Ethics* **6**, 15—22.

The American College,
270 Bryn Mawr Avenue,
Bryn Mawr,
Pennsylvania 19010,
U.S.A.